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RR RUEHLN RUEHVK RUEHYG
DE RUEHDBU #1844 2830554
ZNR UUUUU ZZH
R 100554Z OCT 06
FM AMEMBASSY DUSHANBE
TO RUEHC/SECSTATE WASHDC 8767
INFO RUCNCIS/CIS COLLECTIVE
RUEHNE/AMEMBASSY NEW DELHI 1862
RUEHBUL/AMEMBASSY KABUL 1812
RUEHIL/AMEMBASSY ISLAMABAD 1854
RHEFDIA/DIA WASHINGTON DC
RUEAIIA/CIA WASHDC
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHBJ/AMEMBASSY BEIJING 1841
RUEHAK/AMEMBASSY ANKARA 1849
RUEHLO/AMEMBASSY LONDON 1723
RUEHKO/AMEMBASSY TOKYO 1555
RUEHRL/AMEMBASSY BERLIN 1783
RUEHDBU/AMEMBASSY DUSHANBE 0208

UNCLAS DUSHANBE 001844

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STATE FOR SCA/CEN

E.O. 12958: N/A

TAGS: [ECON](#) [ETRD](#) [ELTN](#) [EINV](#) [EIND](#) [ELAB](#) [PGOV](#) [TI](#)

SUBJECT: VROOM! VROOM! CAR SHOPPING IN TAJIKISTAN

¶1. (U) SUMMARY: Tajikistan's automotive imports reached \$177.4 million for the first eight months of 2006, a 300% jump from the previous year, according to GosKomStat. Despite high gasoline prices and massive shipping costs, Tajikistan's "nouveau riche" enjoys spending its wealth on high-priced Nivas, BMWs, and Hondas. Part-time car importers have sprung up all over Tajikistan to take advantage of the rising demand. The Sunday Dushanbe open car market features hundreds of sellers angling for profit, in a truly Central Asian-style bazaar. END SUMMARY.

¶2. (U) In the past few months, automobile prices have risen 10-15% in Dushanbe. The increase in demand can be attributed in part to migrant workers who come back from Russia with money to spend. According to the Ministry of Finance, migrant remittances from Russia should reach \$1 billion in 2006. As Tajikistan's public transportation does not come close to meeting public demand, people buy cars for their own needs, and also for use as taxis. Fakti i Kommentarii speculates that prices will go down during the winter. However, with most Tajik citizens still afraid to deposit money in banks, the pattern of large consumer purchases will continue.

¶3. (U) A visit to the Dushanbe auto market on October 1 by EmbOff demonstrated the voracious growth in demand for new cars. Two to three thousand vehicles sit in a huge, dirty lot. Sellers bring their cars to the market by Friday in order to save a space on Sunday to sell their car, and pay local boys on average five somoni per night (\$1.50) to safeguard a vehicle.

¶4. (U) Imported cars from Germany, South Korea, Russia and China rule the market. The most popular cars are 10-12 year-old Opel Astra and Daewoo Nexia models imported from Germany and South Korea. The average price for these cars is \$3,000 - \$4,500. Russian-made vehicles are sold at a store near Hissor, ten minutes west of Dushanbe. Owned by businessmen with ties to the Chairman of the National Bank, this store is much more organized to sell vehicles. The most popular VAZ-2107, 2110, 2112 are sold there, including Nivas (made in Russia with fuel injectors and in Kazakhstan with carburators). New Korean Daewoo Nexias produced in Uzbekistan have risen in price over the last five years from \$4,000 in 2000 to \$11,000 in 2006, with a resulting drop in demand. In a new trend, China has begun to export small mini vans that cost \$4-5,000. These cars are often copies of

Toyota or South Korean models which the Chinese produce more cheaply.

¶5. (U) Mid to high-priced cars are also available. Second-hand German Mercedes-Benz C class cars run between \$8,000 - \$12,000. New Nissan Maxima, Honda 6, Mazda 6, Hyundai Sonata 6, Land Cruisers, Volkswagens and BMWs range from \$16,500 to \$35,000.

¶6. (U) Private car insurance does not yet exist in Tajikistan, although every car owner pays a small fee to the government for obligatory insurance. Most drivers settle accident disputes on the spot or later with cash. Embassy is not aware of local seat belt laws.

¶7. (SBU) COMMENT: The enormous influx of cars may stem in part from migrant remittances, but many in Dushanbe also acknowledge it could be sign of wealth from narcotics trafficking. Asked for proof, one Tajik shrugged, rolled his eyes and pointed to a young man driving by in a Lexus SUV, saying "His father is a teacher? You think he can afford that car?" No, actually, we don't. END COMMENT.

HUSHEK